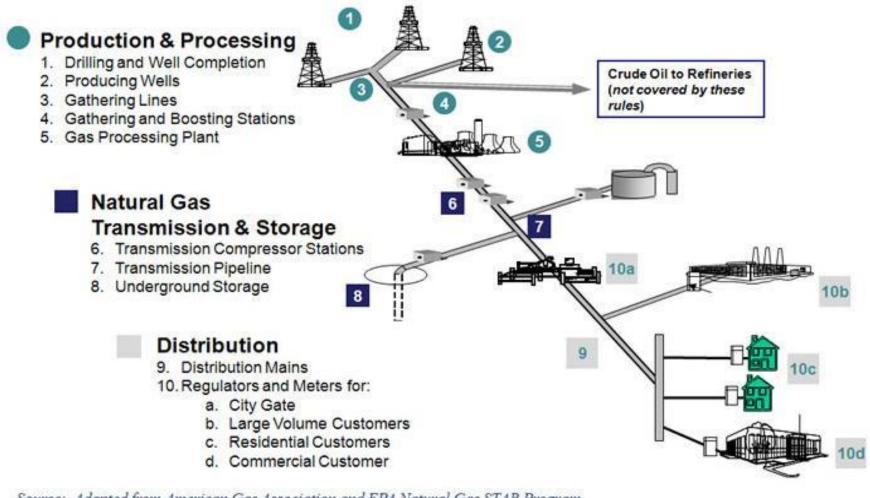


Oil & Gas Sectors

Natural gas systems encompass wells, gas gathering and processing facilities, storage, and transmission and distribution pipelines.



Source: Adapted from American Gas Association and EPA Natural Gas STAR Program

What NSPS 0000 Addresses

- Incorporates requirements of NSPS KKK & LLL
- Facilities built/modified after 8-23-2011
- Facilities between the wellhead and custody transfer point to transmission/distribution segment (i.e. production segment)
- Affected facilities include:
 - well completions (fractured/re-fractured)
 - wet seal centrifugal and reciprocating compressors (post wellhead)
 - Continuous bleed natural gas driven pneumatic controllers
 - storage vessels in all oil and gas production segments
 - small glycol dehydrators at well production pads (MACT HH)
 - sweetening units at gas processing plants
- Notification & reporting requirements for "green completion" of production wells
- Some instances of split applicability for old (KKK & LLL) vs new (OOOO) requirements.
- 3 year phased-in compliance deadline (generally October 15, 2015)

Proposed Rule August 23, 2011 Final Rule 77 FR 49489, 8-16-2012

- Changes were made based on comments from public and industry
- Highly politicized rulemaking more changes have occurred after final rule issued
- Updated definition for a "green completion"
 - Changed to focus on performance instead of technology
 - Allows greater operational flexibility
 - Lowered completion costs
 - Reduces burden on equipment manufacturing/distribution
- Eliminates state permitting trigger when wells are refractured using green completions instead of flaring
- Compressors and pneumatic controllers in the transmission segment NOT included

Compliance Incentives & Benefits

- Key feature capture natural gas from hydraulically fractured production wells (gas going to waste currently)
- Cost-effective recovered natural gas revenue expected to offset costs, savings estimated \$11-19 million in 2015
- Operational flexibility with environmental benefits
- Phase-in period install gas capture equipment before compliance deadlines
- Requirements based on performance, not specific technology
- Incentive to modernize equipment, reduce pollution early
- Reduce VOC emissions, especially in O3 non-attain areas
- Reduce air toxics emissions serious health problems
- Secondary benefit of reducing methane (GHG)

Compliance Deadlines

Rule	Affected facility	Requirement	Compliance Dates - New Sources after 8/23/2011
NSPS 0000	Hydraulically fractured gas wells	Combustion device for flowback emissions	10/15/2012
NSPS 0000	Wet seal centrifugal compressors	Reduce emissions by 95 %	10/15/2012
NSPS OOOO	Reciprocating compressors	Change rod packing at 26K hours or 36 months	10/15/2012
NSPS OOOO	Natural gas plant continuous bleed pneumatic controllers	Bleed rate = Zero	10/15/2012
NSPS VVa	Gas processing plant equipment leaks	Implement LDAR program	10/15/2012
NSPS LLL	Gas processing plant sweetening units	SO2 emission reduction efficiency based on sulfur feed rate & sulfur content of acid gas	10/15/2012
NSPS 0000	Continuous bleed pneumatic controllers >6 scfh, wellhead to gas processing plant	Bleed rate <6 scfh	10/15/2013
NSPS 0000	Storage vessel VOC emissions ≥ 6 TPY	Reduce emissions by 95 %	4/15/2014 (after 4-12-13) 4/15/2015 (Group 1 tanks)
NESHAP HH	Valves at natural gas plants	500 ppm leak definition	10/15/2013
NSPS 0000	Re-fractured/other gas wells	Combustion device for flowback emissions	By 1/01/2015
NESHAP HH	Large glycol dehydrators	Reduce air toxics by 95% or benzene to < 1 TPY	By 1/01/2015
NESHAP HH	Small glycol dehydrators	BTEX emissions <0.9 metric TPY	By 1/01/2015

Well Completions

- Applies to hydraulically fractured natural gas production wells drilled after August 23, 2011
- Training to capture flow back vent gas by "green completion" process
- Fractured/re-fractured wells may use flaring until 1/1/2015
- Gas capture required after January 1, 2015
- Re-fractured wells not considered affected facilities for permit trigger if green completions used & do recordkeeping/reporting
- Exploratory, delineation and low-pressure wells are exempt from green completion requirements but will be required to flare
- Streamlined well completion notification and reporting requirements
 - Email notice to EPA/State/Local agency at least 2 days before EPA R6wellcompletion@epa.gov
 - Annual well reports traditional or list of wells with digital stamped photos

Storage Vessels

- Phased in requirement reduce VOC emissions from new/modified tanks over 2-3 years
- Ensure enough combustion devices are available to reduce the emissions
- Requirement applies to both oil and natural gas production tanks
- No change to MACT for storage tanks BUT...

 Natural gas storage tank emissions will be counted toward major source determination under oil & natural gas production MACTs
- Condensate tanks >6 tons/year emissions must reduce by 95% (typically by flaring)
- Annual tank reports Group 1 only were due 1-15-14

Centrifugal & Reciprocating Compressors

- VOC reduction required for compressors with wet seal systems only
- Requirements do not apply for natural gas transmission and storage segment (VOC emissions generally are low)
- Reciprocating compressors replace rod packing every 26,000 hours of service (monitoring and documenting of hours required) <u>or</u> every 36 months (monitoring and documenting hours not required)

Pneumatic Controllers

- Controllers are used to regulate conditions such as pressure and temperature
- Rule affects high-bleed controllers
 - >6 SCFH between wells and gas plants achieve bleed rate <6 SCF/hr</p>
 - >6 SCFH at gas plants achieve Zero bleed rate
- Allows use only for critical applications, such as emergency shutoff valves
- Intermittent and low bleed controllers not affected
- In natural gas sector, applies only to sources between the wellhead and transmission/distribution segments

Valve Leaks & Sweetening Units

- Sweetening Units (new/modified after 8-23-11)
 - Reduce SO₂ emissions by at least 99.9% at plants with sulfur production >5 long tons/day
 - Compliance date 10/15/2012 or at start up
 - Units with design capacity of H₂S in acid gas
 < 2 long tons/day exempt
- LDAR at gas plants (new/modified after 8-23-11)
 - Compliance date 10/15/2012 or at start up
 - Establishes a new leak definition for valves at gas plants as 500 ppm
 - Strengthens requirements for detection and repair to be consistent with NSPS Vva
 - Non-fractionating plants < 10 MMscf/day exempt

1st Reconsideration 78 FR 58415, September 23, 2013

- Affected tanks must control VOC by 95% or meet alternate emission limit
- Phase in date by which tanks must install VOC controls
- Alternate emission limit < 4 TPY w/out control</p>
- Clarified testing protocol for control equipment
- Clarified affected tanks
 - Constructed after 8-23-11
 - VOC potential emissions > 6 TPY
 - Store crude oil, condensate, unrefined intermediate hydrocarbons, produced water
 - Located anywhere in production segments
 - Group 1: >6 TPY, must reduce VOC by 95%
 - Group 2: <6 TPY (>4 TPY with or w/out controls, < 4 TPY w/out controls)</p>
- Streamlined leak monitoring requirements while EPA addresses issues in 2nd reconsideration
- Deadline for submitting annual well completion reports changed to 90 days after first year and thereafter

2nd Reconsideration (Proposed)

- Signed 7-01-14, pending FR publication
- Provides additional detail on well completion liquid handling and green completion requirements (3 stages)
- Clarifies requirements for storage tanks
- Opening definition of low-pressure well for comment and proposed language
- Clarifies that requirements for leak detection and repair apply only to onshore natural gas processing plants
- Updates requirements for reciprocating compressors to add 3rd work practice option
- Updates the definition of "responsible official" to allow delegation for sites <250 employees</p>

Applicability Determinations and Regulatory Interpretations

- NSPS 0000 task force monthly conference calls since April 2012
- General determinations only, not site specific
- Applicability determinations:
 - Condensate stabilization units (CSUs)
 - Construct/modify dates for compressors
 - Flow-through vessels are not tanks
 - Natural gas condensate wells are affected facilities
- Regulatory interpretations:
 - Well photos with date/GPS stamp below photo
 - Group 2 tanks not included in Group 1 tank report
 - Flare under NSPS 0000 defined as having an open flame
 - Pipelines in production segment are affected facilities
- Site specific ADs/RIs will be posted to ADI database
- Most requests relate to tank issues

More Information

- Oil & gas air pollution standards http://www.epa.gov/airquality/oilandgas/index.html
- Oil and gas white papers http://www.epa.gov/airquality/oilandgas/whitepapers.html
- NSPS Subpart OOOO web site http://www.epa.gov/airquality/oilandgas/actions .html
- Oil & Gas industry home page https://www.usoga.org/en/oil_gas_forums/?s=A K31RTkACHUhRlu5

NSPS 0000 Contact

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Email preferred to ensure prompt response